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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION SEVEN

SMA LIQUIDATING
CORPORATION et al.,

Plaintiffs and Respondents,

v.

LEECH TISHMAN FUSCALDO
& LAMPL, LLC,

Defendant and Appellant.

B285389

(Los Angeles County
Super. Ct. No. ES021524)

APPEAL from an order of the Superior Court of Los Angeles County, William D. Stewart, Judge. Affirmed.

Leech Tishman Fuscaldo & Lampl and Steven M. Taber for Defendant and Appellant.

Jones & Lester, James G. Jones and Matthew W. LaVere for Plaintiffs and Respondents.

Defendant Leech Tishman Fuscaldo & Lampl, LLC (Leech LLC) appeals from an order granting plaintiffs SMA Liquidating Corporation, Jeffrey Sheldon, and Danton Mak's (collectively, SMA) motion to amend the judgment to add Leech LLC as a judgment debtor on the ground it is the alter ego of defendant Leech Tishman Fuscaldo & Lampl, LLP (Leech LLP). Leech LLC, a Pennsylvania limited liability corporation, contends the trial court lacked personal jurisdiction over it because it does not have sufficient minimum contacts with California. It also contends SMA failed adequately to show Leech LLC is the alter ego of Leech LLP, because SMA did not show a unity of interest between the two entities, and that an inequitable result would follow from treating the two as separate entities. We affirm.

FACTUAL AND PROCEDURAL BACKGROUND

A. *The Asset Purchase Agreement, Arbitration Award, and Judgment*

On July 15, 2014 Leech LLP, a California limited liability partnership, entered into an agreement to purchase certain assets from law firm Sheldon Mak & Anderson, PC. As part of the agreement, Sheldon and Mak, principals in Sheldon Mak & Anderson, PC, became members of Leech LLP and Leech LLC. Subsequent to the agreement, Sheldon Mak & Anderson, PC, ceased doing business in the practice of law, but continued to operate as SMA Liquidating Corporation for the purpose of liquidating the law firm. When Leech LLP failed to pay the purchase price under the agreement, SMA initiated an arbitration proceeding on June 10, 2015. The parties settled, and on July 6, 2015 entered into an amendment to their agreement. The

amendment provided for certain payments by Leech LLP to SMA, including for work performed by SMA for SMA's clients before the agreement was executed. As part of the amendment, Leech LLP signed a promissory note in the amount of \$67,503, plus interest, with a specific payment schedule.

When Leech LLP failed to make the required payments under the amendment, SMA declared a default and again initiated arbitration proceedings. On February 27, 2017 the arbitrator awarded SMA \$91,422.39 against Leech LLC. On March 21, 2017 the arbitrator modified the award at Leech LLP's request to substitute Leech LLP as judgment debtor for Leech LLC. Leech LLP took the position the change to the award was necessary because the naming of Leech LLC was a "typo."

On May 1, 2017 Leech LLC remitted to SMA a partial payment of \$27,000. On June 9, 2017 SMA petitioned the trial court to confirm the arbitration award. Leech LLP did not oppose the petition. On July 6, 2017 the trial court issued an order confirming the arbitration award and entered judgment for SMA against Leech LLP for \$91,422.39, less the partial payment of \$27,000.

B. SMA's Motion To Amend Judgment

On August 7, 2017 SMA moved to amend the judgment pursuant to Code of Civil Procedure section 187 to add Leech LLC as a judgment debtor on the theory it was the alter ego of Leech LLP. SMA supported its motion with declarations from Sheldon and James G. Jones, attorney for SMA.

Sheldon's declaration stated that after joining both Leech LLC and Leech LLP, he learned about many aspects of the entities' operations, including: Leech LLC is the sole partner of Leech LLP;

Pete Fuscaldo is the managing member of both entities; Sheldon and Mak became members of both Leech entities after execution of the agreement, but the payments for their membership interests were made only to Leech LLC; Leech LLC controls “all actions” by Leech LLP, including “whether and how much will be paid on any debt” of Leech LLP; Leech LLC collects all money from client billings for services rendered by Leech LLP, and comingles the funds with those of Leech LLC; and bank records of the Leech entities show Leech LLP does not have a domestic bank account, and instead, Leech LLP pays its business expenses from the Leech LLC bank account in Pennsylvania. Sheldon attached the May 1, 2017 check for the \$27,000 partial payment made under the purchase agreement, which showed payment was made by Leech LLC on its Pennsylvania bank account.

Jones’s declaration stated he was counsel of record for SMA in the prior arbitration proceedings. He declared Leech LLC had “controlled all aspects of both arbitrations on behalf of [Leech LLP],” and was “actually represented at all times” during the arbitration, because the same attorneys represented both entities throughout the proceeding.

SMA argued these facts showed Leech LLC was adequately represented during the arbitration to support amending the judgment to add it as judgment debtor, there was a unity of interest and ownership between the two entities, and failing to add Leech LLC to the judgment would “sanction fraud or promote injustice,” given that Leech LLP had failed to pay the arbitration award for over four months.

Specially appearing, Leech LLC opposed the motion, arguing the trial court lacked personal jurisdiction over it.¹ Leech LLC

¹ Leech LLP did not file an opposition to the motion.

contended it was domiciled in Pennsylvania, and its only contacts with California were as manager and owner of Leech LLP, such that it did not have sufficient minimum contacts with California to establish personal jurisdiction. Leech LLC argued it did not have continuous and systematic contact with California to support general personal jurisdiction, and had not purposefully availed itself of the benefits of California law to support specific personal jurisdiction. Leech LLC also argued the court lacked specific personal jurisdiction because it was not a party to the asset purchase agreement that gave rise to the controversy between SMA and Leech LLP.

Leech LLC argued in the alternative SMA had not made an adequate evidentiary showing to justify application of the alter ego doctrine. It argued the evidence failed to demonstrate more than an ordinary parent-subsidiary relationship between the two entities, or that inequitable results would follow from treating the two as separate entities.

Leech LLC attached a declaration from Fuscaldo, in which he stated Leech LLP was formed by Leech LLC “as a subsidiary to own and operate the California office and pay its California employees in order to comply with California law prohibiting LLCs from owning and operating law firms.” He declared Leech LLC did not hold a California bank account, conduct business in the state, or hold any professional licenses issued by the state. Fuscaldo also noted efforts had been made during the arbitration “to ensure the separation” of the two entities by requesting the arbitrator to correct the initial award against Leech LLC to substitute Leech LLP for Leech LLC. Fuscaldo declared Leech LLP would continue to exist and generate revenue “as long as Leech Tishman Fuscaldo & Lampl own and operate it as a law firm in California.”

In reply, SMA submitted evidence Leech LLP provided W-9 tax forms to its clients identifying Leech LLC as the responsible entity and providing Leech LLC's tax identification number. SMA also submitted a California withholding exemption certificate (form 590) indicating Leech LLC was the "payee" with its "permanent place of business" in California, and that it was "subject to the laws of California." SMA also attached as an exhibit a copy of the lease for Leech LLP's office space in California, which designated Leech LLC's Pennsylvania address to receive all legal notices under the lease.

SMA submitted a second declaration from Sheldon, stating Leech LLC's financial reports did not separately address the finances of Leech LLP, but rather, "all firm financials are grouped together and treated as one." Sheldon declared Leech LLC administered the 401(k) and medical, dental, and life insurance plans of the California employees performing work for Leech LLP, financed and administered Leech LLP's subscriptions to legal research services, and purchased and maintained Leech LLP's computers and other equipment. Additionally, Leech LLC performed all tasks relating to the marketing of business conducted by Leech LLP, including producing printed materials and maintaining the firm's website, which did not distinguish between the two Leech entities. Sheldon further declared, to the "best of [his] knowledge, [Leech LLP] has no assets." Moreover, Leech LLC controlled the hiring and firing of California employees, who were hired to work for Leech LLP, but were "actually employees of [Leech LLC]," and were "paid from Pennsylvania bank accounts maintained and controlled" by Leech LLC.

SMA submitted declarations from Katherine Sales and Laura Lloyd, who previously worked as associates in Leech LLP's

Pasadena office. Sales attached a W-2 tax form that indicated Leech LLP was her employer, but listed Leech LLC's Pennsylvania address. Lloyd submitted a copy of the offer letter Leech LLC sent her to confirm her employment in Leech LLP's Pasadena office.

After a hearing, on September 8, 2017 the trial court adopted its written tentative ruling and granted SMA's motion to amend the judgment to add Leech LLC as a judgment debtor.² The court found Leech LLC had engaged in "substantial, continuous, and systematic" contact with California by virtue of its "formation and management" of Leech LLP in California. On this basis, the court found it had general personal jurisdiction over Leech LLC. The court further found it had specific personal jurisdiction over Leech LLC based on its involvement in the asset purchase agreement underlying the controversy.

The trial court relied on statements in Leech LLC's declarations in opposition showing Leech LLC formed Leech LLP for the purposes of doing business in California, provided management services to Leech LLP, and had obligations under the asset purchase agreement. The court concluded, "It does not offend traditional notions of fair play and substantial justice to expect a management company to be haled into Court in California due to the acts of a subsidiary that it formed and manages in order to avail itself of the benefits arising from the forum of California."

The trial court also found SMA carried its burden to show Leech LLC was the alter ego of Leech LLP. The court relied on Sheldon's declarations indicating Leech LLC was the sole partner of Leech LLP, collected "all money from billings rendered" by Leech

² The trial court denied SMA's motion as to its request to amend the judgment to award postarbitration attorney's fees. SMA did not appeal the denial, which is not before us in this appeal.

LLP, comingled the funds of both entities, and “control[led] all actions of Leech LLP.” The court noted Fuscaldo was the managing member of both entities, and Leech LLP appeared not to possess its own bank account, but instead had its business expenses paid from Leech LLC’s bank account. The court concluded the two entities “have a unity of interest and that Leech [LLP] has no actual, separate existence.” The court also found “it would be inequitable to permit Leech [LLC] to avoid paying the judgment against Leech [LLP] by permitting the separate existence of Leech [LLP].”

Leech LLC timely appealed.

DISCUSSION

A. *Substantial Evidence Supports the Trial Court’s Alter Ego Findings*³

Under Code of Civil Procedure section 187,⁴ a trial court has “the authority to amend a judgment to add an alter ego of an original judgment debtor, and thereby make the additional judgment debtor liable on the judgment. Amending a judgment to add an alter ego of an original judgment debtor “is an equitable

³ Because the evidence demonstrating Leech LLC’s control over Leech LLP informs our conclusion the trial court properly exercised personal jurisdiction over Leech LLC, we address the court’s alter ego findings first.

⁴ Code of Civil Procedure section 187 provides, “When jurisdiction is, by the Constitution or this Code, or by any other statute, conferred on a Court or judicial officer, all the means necessary to carry it into effect are also given; and in the exercise of this jurisdiction, if the course of proceeding be not specifically pointed out by this Code or the statute, any suitable process or mode of proceeding may be adopted which may appear most conformable to the spirit of this Code.”

procedure based on the theory that the court is not amending the judgment to add a new defendant but is merely inserting the correct name of the real defendant.”” (*Highland Springs Conference & Training Center v. City of Banning* (2016) 244 Cal.App.4th 267, 280 (*Highland Springs*); accord, *Toho-Towa Co., Ltd. v. Morgan Creek Productions, Inc.* (2013) 217 Cal.App.4th 1096, 1106 (*Toho-Towa*).) “To prevail on the motion, the judgment creditor must show, by a preponderance of the evidence, that ‘(1) the parties to be added as judgment debtors had control of the underlying litigation and were virtually represented in that proceeding; (2) there is such a unity of interest and ownership that the separate personalities of the entity and the owners no longer exist; and (3) an inequitable result will follow if the acts are treated as those of the entity alone.’” (*Highland Springs*, at p. 280; accord, *Relentless Air Racing, LLC v. Airborne Turbine Ltd. Partnership* (2013) 222 Cal.App.4th 811, 815-816 (*Relentless Air Racing*).)

“The decision to grant or deny the motion lies within the sound discretion of the trial court [citation] and will not be disturbed on appeal if there is a legal basis for the decision and substantial evidence supports it.” (*Highland Springs, supra*, 244 Cal.App.4th at p. 280; accord, *Carolina Casualty Ins. Co. v. L.M. Ross Law Group, LLP* (2012) 212 Cal.App.4th 1181, 1189 [“The trial court’s decision to amend a judgment to add a judgment debtor is reviewed for an abuse of discretion. [Citations.] Factual findings necessary to the court’s decision are reviewed to determine whether they are supported by substantial evidence.”]; *Misik v. D’Arco* (2011) 197 Cal.App.4th 1065, 1072 [trial court’s alter ego determination “is not a question of law,” and “will not be disturbed if it is supported by substantial evidence”].) “[I]n order to see that justice is done, great liberality is encouraged in the allowance of

amendments brought pursuant to Code of Civil Procedure section 187.” (*Carolina Casualty Ins. Co.*, at p. 1189, quoting *Misik*, at p. 1073.)

1. *Substantial evidence supports the trial court’s finding of unity of interest and ownership between the Leech entities*

Leech LLC contends substantial evidence does not support the trial court’s finding there was a unity of interest and ownership between the Leech entities.⁵ We conclude otherwise.

““Ordinarily, a corporation is regarded as a legal entity, separate and distinct from its stockholders, officers and directors, with separate and distinct liabilities and obligations. [Citations.]” [Citation.] “[T]he corporate form will be disregarded only in narrowly defined circumstances and only when the ends of justice so require.” [Citation.] Before a corporation’s obligations can be recognized as those of a particular person, the requisite unity of interest and inequitable result must be shown. [Citation.] These factors comprise the elements that must be present for liability as an alter ego.” (*Eleanor Licensing LLC v. Classic Recreations LLC* (2018) 21 Cal.App.5th 599, 615; accord, *Leek v. Cooper* (2011) 194 Cal.App.4th 399, 411.)

A court may “disregard the corporate form in order to hold one corporation liable for the debts of another affiliated corporation when the latter ““is so organized and controlled, and its affairs are so conducted, as to make it merely an instrumentality, agency, conduit, or adjunct of another corporation.””” (*Toho-Towa, supra*,

⁵ Leech LLC does not assert it did not have control of the underlying arbitration or that it was not sufficiently represented in that proceeding.

217 Cal.App.4th at p. 1107; accord, *Leek v. Cooper*, *supra*, 194 Cal.App.4th at p. 411.) “Among the many factors to be considered in applying the doctrine are one individual’s ownership of all stock in a corporation; use of the same office or business location; commingling of funds and other assets of the individual and the corporation; an individual holding out that he is personally liable for debts of the corporation; identical directors and officers; failure to maintain minutes or adequate corporate records; disregard of corporate formalities; absence of corporate assets and inadequate capitalization; and the use of a corporation as a mere shell, instrumentality or conduit for the business of an individual. [Citation.] This list of factors is not exhaustive, and these enumerated factors may be considered with others under the particular circumstances of each case. “No single factor is determinative, and instead a court must examine all the circumstances to determine whether to apply the doctrine.”” (*Misik v. D’Arco*, *supra*, 197 Cal.App.4th at p. 1073; accord, *Eleanor Licensing LLC v. Classic Recreations LLC*, *supra*, 21 Cal.App.5th at p. 616; *Leek v. Cooper*, at pp. 417-418.)

Here, SMA presented evidence to the trial court showing the relationship between Leech LLP and Leech LLC implicated several of these factors. SMA presented evidence Leech LLC was the sole partner of Leech LLP, and Fuscaldo was managing member of both entities. Further, Leech LLC was the actual employer of the individuals working in Leech LLP’s Pasadena office, with control over their hiring, firing, pay, and benefits. Leech LLC managed the legal research subscriptions and computers and other equipment used by Leech LLP, and controlled all marketing for the firm, which made no distinction between the two entities. The revenues generated by Leech LLP were collected by Leech LLC, and were

deposited in Leech LLC's Pennsylvania bank account, where the funds of the two entities were comingled. Sheldon declared he had seen no evidence Leech LLP possessed its own bank account, the financial reports created by Leech LLC did not separately set forth the finances of Leech LLP, and Leech LLC's management committee controlled "whether and how much [would] be paid on any debt" of Leech LLP. Indeed, Sheldon declared to the "best of [his] knowledge, [Leech LLP had] no assets" at all. Finally, Leech LLC appeared as the responsible entity on the tax forms issued to Leech LLP's clients, and Leech LLC's Pennsylvania address appeared on the tax forms issued to the firm's California employees.

Leech LLC argues SMA's evidence is inadequate to demonstrate unity of interest and ownership beyond that of a typical parent corporation and its subsidiary. But Leech LLC focuses on each factor in the trial court's analysis in isolation, without considering the cumulative effect of the factors. SMA's evidence indicates near complete management by Leech LLC of the finances and operational decisions of Leech LLP. Notably, Leech LLC did not dispute any of the evidence before the trial court, for example, by producing evidence Leech LLP hired and fired its own employees, created its own financial reports, paid its own debts, possessed its own bank account, or possessed any assets. Contrary to Leech LLC's argument, its control over Leech LLP was not merely "exercise of broad oversight" typical of "common ownership and common directorship." Substantial evidence supports the trial court's finding of unity of interest and ownership between the two Leech entities.

2. *Substantial evidence supports the trial court’s finding there would be an inequitable result if Leech LLP is treated as an entity separate from Leech LLC*

Leech LLC contends there is not substantial evidence to support the trial court’s finding it would be inequitable to treat the Leech entities as separate entities. We disagree. Leech LLC correctly asserts that “[d]ifficulty in enforcing a judgment does not alone satisfy” the requirements of the alter ego doctrine. (*Leek v. Cooper, supra*, 194 Cal.App.4th at p. 418.) But contrary to Leech LLC’s argument, SMA was not required to show wrongful intent. (*Relentless Air Racing, supra*, 222 Cal.App.4th at p. 816 [“The trial court erred in requiring [plaintiff] to prove that the [alter ego] acted with wrongful intent. The law does not require such proof.”]; *Misik v. D’Arco, supra*, 197 Cal.App.4th at pp. 1069, 1074 [“[t]he alter ego doctrine does not require proof of fraud”].)

“It is enough that ‘adherence to the fiction of the separate existence of the corporation would promote injustice . . . or bring about inequitable results’” (*Toho-Towa, supra*, 217 Cal.App.4th at p. 1109, fn. 5 [affirming trial court’s finding of inequitable result where plaintiff was unaware at time of contract that parent company had structured subsidiary’s finances “in such a way that [the subsidiary] never received any money from its licensees, and thus would not have funds to meet its payment obligations under the agreement”]; accord, *Relentless Air Racing, supra*, 222 Cal.App.4th at p. 816 [affirming finding of inequitable result where individuals who were sole limited partners and shareholders of general partner of defendant corporation withdrew all funds from corporation, making it “highly unlikely [defendant] will ever have assets with which to satisfy the judgment”].)

SMA's evidence showed Leech LLC exercised complete control over the revenue generated by Leech LLP, determining "when, whether and how much will be paid on any debt of [Leech LLP]." Under these circumstances, whether SMA could collect its judgment against Leech LLP depended entirely on the decision of Leech LLC whether to make payments. Indeed, the only payments received by SMA to date were tendered by Leech LLC, not Leech LLP. Further, Leech LLP had no bank account from which it could pay its debt, but rather, any funds needed to come from the commingled funds in Leech LLC's Pennsylvania bank account. Thus, substantial evidence supported the trial court's finding it would be inequitable to allow Leech LLC to escape liability while financially benefiting from Leech LLP's business revenues.

Finally, Leech LLC contends the trial court erred because SMA was aware of the relationship between the entities and knowingly contracted with only Leech LLP. In support of its argument, Leech LLC cites federal authorities for the proposition the alter ego doctrine should be applied more cautiously in contract actions than those sounding in tort. Yet California Courts of Appeal have repeatedly applied the alter ego doctrine in contract actions. (See, e.g., *Toho-Towa, supra*, Cal.App.4th at pp. 1100-1101 [affirming trial court's alter ego finding in contract dispute over movie distribution rights]; *Relentless Air Racing, supra*, 222 Cal.App.4th at pp. 813, 818 [reversing trial court's denial of motion to amend judgment to add alter ego of contracting corporation in contract dispute for sale of airplane].)⁶ Moreover,

⁶ Leech LLC also argues for the first time in its reply brief that SMA's execution of a July 6, 2015 amendment to the original asset purchase agreement after Sheldon and Mak had become members of the Leech entities should militate against a finding of an

Leech LLC provided no evidence of SMA's awareness it was contracting with an entity whose finances were entirely controlled by its parent corporation.⁷

B. *The Trial Court Had Personal Jurisdiction over Leech LLC*

Leech LLC contends the trial court lacked personal jurisdiction over it because it is a Pennsylvania corporation with no contacts in California other than its ownership and management of Leech LLP. We agree with the trial court that it had personal jurisdiction over Leech LLC based on the same facts that support the trial court's finding of alter ego liability.

inequitable result. Leech LLC forfeited this argument by failing to raise it in its opening brief. (*Aptos Council v. County of Santa Cruz* (2017) 10 Cal.App.5th 266, 296, fn. 7 ["Issues not raised in the appellant's opening brief are deemed waived or abandoned."]; *Altavion, Inc. v. Konica Minolta Systems Laboratory, Inc.* (2014) 226 Cal.App.4th 26, 63 [argument made for the first time in reply brief is forfeited].)

⁷ Because we conclude substantial evidence supports the trial court's determination Leech LLC was an alter ego of Leech LLP, we reject Leech LLC's contention the trial court found alter ego liability based on its "liberal" application of the alter ego doctrine. We also find no merit in Leech LLC's contention, made without analysis or citation to authority, that application of the alter ego doctrine here would defeat the legislative purpose of Corporations Code section 17701.04, subdivision (e), which states, "Nothing in this title shall be construed to permit a domestic or foreign limited liability company to render professional services" (*In re S.C.* (2006) 138 Cal.App.4th 396, 408 ["appellant must present meaningful legal analysis supported by citations to authority and citations to facts in the record that support the claim of error"].)

“California courts may exercise personal jurisdiction on any basis consistent with the Constitution of California and the United States. (Code Civ. Proc., § 410.10.) The exercise of jurisdiction over a nonresident defendant comports with these Constitutions “if the defendant has such minimum contacts with the state that the assertion of jurisdiction does not violate “traditional notions of fair play and substantial justice.”” (*Snowney v. Harrah’s Entertainment, Inc.* (2005) 35 Cal.4th 1054, 1061 (*Snowney*); accord, *Pavlovich v. Superior Court* (2002) 29 Cal.4th 262, 268; *Jayone Foods, Inc. v. Aekyung Industrial Co. Ltd.* (2019) 31 Cal.App.5th 543, 552-553 (*Jayone Foods*).) “[T]he minimum contacts test asks ‘whether the “quality and nature” of the defendant’s activity is such that it is “reasonable” and “fair” to require him to conduct his defense in that State.’ [Citation.] The test ‘is not susceptible of mechanical application; rather, the facts of each case must be weighed to determine whether the requisite “affiliating circumstances” are present.’” (*Snowney*, at p. 1061; accord, *Jayone Foods*, at pp. 552-553.)

“Personal jurisdiction may be either general or specific. A nonresident defendant may be subject to the *general* jurisdiction of the forum if his or her contacts in the forum state are ‘substantial . . . continuous and systematic.’” (*Vons Companies, Inc. v. Seabest Foods, Inc.* (1996) 14 Cal.4th 434, 445; accord, *Jayone Foods, supra*, 31 Cal.App.5th at p. 553.) “Generally, a parent corporation is not subject to our state court jurisdiction simply because its wholly owned subsidiary is properly subject to jurisdiction in California courts.” (*In re Automobile Antitrust Cases I & II* (2005) 135 Cal.App.4th 100, 119; accord, *Sonora Diamond Corp. v. Superior Court* (2000) 83 Cal.App.4th 523, 540 (*Sonora Diamond*).) However, “[j]udicial jurisdiction over a subsidiary

corporation will . . . give the state judicial jurisdiction over the parent corporation if the parent so controls and dominates the subsidiary as in effect to disregard the latter's independent corporate existence.” (*Rollins Burdick Hunter of So. Cal., Inc. v. Alexander & Alexander Services, Inc.* (1988) 206 Cal.App.3d 1, 9, 11 (*Rollins*) [personal jurisdiction properly exercised where parent controlled “[e]very facet of [subsidiary’s] business—from broad policy decisions to routine matters of day-to-day operation”]; accord, *DVI, Inc. v. Superior Court* (2002) 104 Cal.App.4th 1080, 1087 [“Those circumstances permitting the exercise of general jurisdiction include an alter ego relationship or the parent’s exercise of such a degree of control of the subsidiary as to ‘reflect the parent’s purposeful disregard of the subsidiary’s independent corporate existence.’”]; *VirtualMagic Asia, Inc. v. Fil-Cartoons, Inc.* (2002) 99 Cal.App.4th 228, 244 [“When the elements of alter ego are present, . . . jurisdiction over the corporation is passed through to its shareholders.”].)

“Where, as here, “no conflict in the evidence exists . . . the question of jurisdiction is purely one of law and the reviewing court engages in an independent review of the record.”” (*Snowney, supra*, 35 Cal.4th at p. 1062; accord, *Jayone Foods, supra*, 31 Cal.App.5th at p. 553.)

Relying on *Sonora Diamond, supra*, 83 Cal.App.4th at page 540, Leech LLC argues “neither ownership nor control of a subsidiary corporation by a foreign parent corporation, without more, subjects the parent to the jurisdiction of the state where the subsidiary does business.” *Sonora Diamond* is distinguishable. There, the court acknowledged general personal jurisdiction could properly be exercised over a foreign parent company based on a finding it was the alter ego of its in-state subsidiary, but concluded

the alter ego doctrine was inapplicable because the plaintiff had not established an inequitable result would follow from treating the parent and subsidiary as separate entities. (*Id.* at p. 539.) Here, as discussed, substantial evidence supported the trial court’s finding of a common interest and ownership, as well as its finding of an inequitable result if the entities were treated as separate entities.

SMA’s undisputed evidence showed Leech LLC controlled Leech LLP’s activities, including collection of revenues earned for work performed in California; deciding whether and how much to pay on debts owed in California; and hiring, firing, pay, and benefits of employees performing work within California. Leech LLC financed and controlled Leech LLP’s subscriptions to legal research services, purchased and maintained its computers and other equipment, appeared by name or address as the responsible entity on federal tax forms distributed by Leech LLP to its clients and employees, was designated on Leech LLP’s lease for California property as the entity to receive all notices, and performed all tasks related to marketing for Leech LLP’s business in California.

Thus, Leech LLC exercised pervasive control over Leech LLP’s “broad policy decisions” as well as its “routine matters of day-to-day operation.” (*Rollins, supra*, 206 Cal.App.3d at p. 11.) Accordingly, Leech LLC had substantial, continuous, and systematic contacts in California as Leech LLP’s alter ego. Leech LLC’s California 590 tax form indicating it had “a permanent place of business in” and was “subject to the laws of California” bolsters this conclusion. The trial court did not err in finding Leech LLC was subject to the court’s general personal jurisdiction.⁸

⁸ Because we conclude the trial court properly exercised general personal jurisdiction over Leech LLC, we do not reach

DISPOSITION

The judgment is affirmed. SMA is to recover its costs on appeal.

FEUER, J.

WE CONCUR:

PERLUSS, P. J.

SEGAL, J.

Leech LLC's contention the trial court lacked specific personal jurisdiction.